

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**28 January 2014**

**Report of the Director of Finance**

**BUDGET MONITORING 2013/14  
(COUNCIL SERVICES)**

**1 Purpose of the Report**

To provide Cabinet with an update of the latest budget monitoring positions showing an overall departmental overspend of £6.959m, which after consideration of centrally held budgets and expenditure, and use of carry forward balances from 2012/13, will lead to an underspend of £6m for the Council.

**2 Information and Analysis**

The report summarises the controllable budget position by department. Reports will also be considered at Audit Committee and Council. Monitoring reflects the position as at 31 October 2013, however officers have provided additional updates to the Director of Finance to take the position through to the period ending 30 November 2013. Where departments have asked for carry forward of budget, it requires final approval from the appropriate Cabinet Member.

**Adult Care**

The forecast is for an overspend of £14.6m, however the use of reserves and one-off support give a projected year-end overspend of £10.545m. The overspend is due to the impact of demographic pressures and the increasing complexity of client's needs. The main areas of overspend are Fieldwork and Direct Care, which are off-set by an underspend on Strategy and Commissioning and debt charges. There continues to be pressures on Adult Care budgets with demand for services expected to grow in the medium/long-term.

**Children and Younger Adults**

The budget is projected to be overspent by £3.425m, although this can be off-set by the 2012/13 carry forward to give a break-even position. The projected overspend has reduced by £2.965m since that reported

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to Cabinet on 1 October 2013. This is largely due to the anticipated costs of staffing where vacancy controls and continuing staff turnover have combined to keep staff costs lower than anticipated previously. The main reason for the overspend, is in the main due to the budget reductions allocated to CAYA have not yet been applied to individual budgets.

### **Environmental Services**

The forecast is for an underspend of £2.067m. The main areas of underspend are Waste Management £1.053m, Transport and Technical £0.809m, Commercial Services £0.381m and Regeneration £0.264m. These are off-set by an overspend in Highways Maintenance £0.765m.

### **Cultural and Community Services**

The budget is projected to underspend by £0.898m, however this includes a balance brought forward of £0.415m from 2011/12 outturn underspends. The main underspends were Branch and Mobile Libraries £0.659m, largely as a result of staffing.

### **Corporate Resources**

The forecast is for an underspend of £1.902m. The underspends are Communications £0.445m, Human Resources £0.397m, Corporate Finance £0.342m and Transformation Services £0.293m, the main reasons being staffing and vacancy control.

### **Health and Community Safety**

The budget is projected to underspend by £0.388m. The main area of underspend relates to Community Safety £0.243m.

### **Corporate Budgets**

The year-end forecast is a £1.669m overspend. The main areas of overspend include £1.519m unallocated budget reductions and £0.735m due to declining occupancy rates at the Council's business units. This is offset by underspends in other areas, including Registrars (£0.238m) and Corporate Management £0.218m.

In addition to the above, the Risk Management Budget and debt charges budget are forecast to underspend by a total of £13m, with external interest showing a break even position.

The income from funding sources such as Council Tax, Business Rates Retention Scheme and General Grants announced at the time of the Local Government Finance Settlement is as anticipated. There have been additional funding allocations which have been announced after the budget was approved by Council in February. These are Adoption Reform Grant £1.213m, Local Authority Central Spend Equivalent Grant

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(£0.608m) and Extended Rights to Free Travel £1.313m. The revised Budget report by Council in October 2013 allocated £0.100m of the Extended Rights to Free Travel funding to CAYA.

### **Summary**

The overall position in the Appendix shows departmental overspends of £6.959m, however these are offset by underspends on the Risk Management budget, debt charges budgets and use of previous years underspends to give an underspend of £6m. However, the Council has been in consultation with the Derbyshire care home providers regarding the level of fees paid to them. Details of the outcome will be reported to Cabinet in due course, which could result in ongoing costs to the Council which will be met from the Risk Management Budget.

### **3 Financial Considerations**

As set out above.

### **4 Background Papers**

Papers held in Technical Section, Corporate Finance.

### **5 Key Decision**

No.

### **6 Is it necessary to waive the call-in period?**

No.

### **7 OFFICER'S RECOMMENDATION**

The 2013/14 budget monitoring position as at 31 October 2013 is noted.

**PETER HANDFORD**

Director of Finance

20 January 2014

	<b>Budget £m</b>	<b>Year-end forecast £m</b>	<b>(Under)/Over Spend £m</b>
<b>Adult Care</b>	208.316	218.861	10.545
<b>CAYA</b>	111.237	111.237	0.000
<b>Environmental Services</b>	88.371	86.303	(2.067)
<b>CACS</b>	13.105	12.207	(0.898)
<b>Corporate</b>	10.773	12.442	1.669
<b>CRD</b>	45.025	43.123	(1.902)
<b>Health and Community</b>	4.325	3.937	(0.388)
			<b>6.959</b>